

THE CRISIS OF 1907.

movement of expansion was well advanced, but in 1900 the amount was \$849,941,184; in 1903, \$1,025,719,237; and finally in 1906, \$1,226,562,446 ; and in 1907, \$1,434,421,425. The ratio of imports per capita, which in 1898 had been as low as \$8.05, rose for 1907 to more than double this ratio, or \$16.54. Internal trade also increased in great proportions and banking operations expanded in harmony with the expansion of business. Clearings at New York, which were \$29,350,894,000 in 1896, and \$51,964,588,000 in 1900, increased in 1907 to \$95,315,421,000 while for the country at large they increased from \$51,935,651,000 in 1896 and \$81,582,450,000 in 1900, to \$154,662,515,000 in 1907. The volume of money in circulation rose from \$1,506,434,966 in 1896 to \$2,055,150,998 in 1900, and \$2,772,956,455 in 1907. Individual deposits in national banks increased from \$1,668,413,507 in 1896 to \$2,458,092,737 in 1900, and \$4,322,880,141 in 1907,

In other commercial countries also progress was rapid during the ten years ending with 1907, but was checked in several cases by war and other special circumstances. Among the most conspicuous of these influences were the effects of the war in South Africa upon Great Britain, from 1898 to 1902, and the effects of the war between Russia and Japan, in 1904-1905. The war in South Africa cost the British Government nearly \$800,000,000 and resulted in loans to the amount of nearly \$600,000,000.* The effect was severely felt in the money market in restricting the supply of capital for other classes of investments. Especially was the issue of large quantities of new securities felt upon the price of British consols. Quotations had been as high in 1896 as 104¹/₄. The reduction of the interest rate from 4¹/₂ to 2¹/₂% per cent, took effect in 1903 and had some influence in depressing prices, but the influences which were most potent in carrying down consols to a minimum price of 91 in 1901, and 80¹/₂ in the autumn of 1907, were the great demands for capital and the increase in the amount of consols on the market.

¹ Vide *Bulletin de Statistique* April, 1902, LI., 485.